

# INFORMATION REPORT

REPORT NO. [REDACTED]

CD NO.

25X1A

COUNTRY East Germany

DATE DISTR. 3 March 1953

SUBJECT Market Analysis of the East German Film Industry

NO. OF PAGES 3

PLACE  
ACQUIRED [REDACTED]

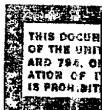
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SOURCE [REDACTED]

## Motion picture film

1. The East German film industry depends chiefly on the Soviet satellites for a market for its motion picture film. In 1952, however, this market declined considerably; decrease in sales is partly due to the fact that Hungary and Poland have begun production of movie film and are selling in capitalistic countries. Though the volume of their production is not known, it must be great, for East Germany was deprived of orders for 15 to 20 million meters of film. Hungary is already producing positive movie film with a safety base. (*Sicherheitsunterlage*)
2. Through interzonal trade East Germany was able to deliver about 17,000,000 meters of Agfa motion picture film to West Germany within compensation-triangle deals and/or the trade agreement. A market for this film at first seemed assured, but recently Perutz has attempted to put East Germany out of business in the Federal Republic. Perutz stated at one time that West German movie film requirements could be covered by home and foreign production; on another occasion he brought up the reactivation of a currently invalid regulation concerning the exclusive use of safety film. As of late October 1953 only about eight to nine million meters of the delivered movie film had been sold. The import of large quantities of Kodak and Gevaert products into West Germany is in part responsible for poor sales showing.
3. In West Germany, Kodak-Stuttgart has made every possible attempt to prevent East German Kodak from obtaining a market for its products. Thus, for example, the Land court in Hamburg handed down a decision which forbade agents to sell East German Kodak supplies.
4. In capitalist countries the demand is exclusively for positive movie film on a safety base, and usually fine-grain quality is required. As a result, East German Kodak supplies are practically impossible to sell, not because of the firm name but because of the quality of the products. At most, East German Kodak movie film is used for copying newsreels or for special films which are shown in outlying districts. The East German movie film industry will be seriously endangered in 1953 unless it is permitted to market positive movie film on a safety base.

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Narrow Film

5. East Germany was able to market its production of narrow film in 1952 only because production was limited by shortages of basic raw materials. Should the raw material situation change for the better in 1953, allowing East Germany to produce larger quantities of narrow film, it will be necessary to produce not only industrial but also amateur film in order to find a market for the products. Agfa-Leverkusen, Perutz, Gevaert and Ferrania have put on the market a wide assortment of amateur films, and if the East German industry is unable to solve satisfactorily the development of reversible film (Umkehrfilm), it will scarcely be able to meet outside competition in the West in 1953.

Amateur film

6. The East German film industry is faced with a difficult situation since western film producers have improved and expanded the selection of amateur films, while East Germany has made little or no progress. The appearance on the market of roll and miniature film like the Kodak Super Plus X and the Ilford HP 3, both of which possess high sensitivity and fine grain, has practically forced East German miniature film off the market. Customers constantly ask whether East Germany can produce so-called "rapid film" (schnelle Filme) like Kodak and Ilford.
7. In order to assure a market for amateur film in 1953, East Germany will have to build up a solid sales agency system. Efforts made along this line have been only in part successful, since East Germany has not always been able to meet requirements of customers. Sweden, for example, required that the East German producers furnish show-window advertisements, electric signs, newspaper advertisements, and the like for their products.
8. It will also be necessary to offer protection to representatives of East German film firms. In the past there have been disturbing examples of FO stores exporting film from the stocks they had on hand. Only recently it was discovered that the FO was using its stocks of photographic supplies to help fulfill compensation agreements; East German photographic goods have been turning up in the Far East which East German trade agencies are unable to account for.
9. If East Germany is to maintain any of its foreign market for film it will be necessary to improve quality of the products, increase assortment, guarantee immediate delivery, and improve selling conditions in foreign countries.

Photographic paper

10. The fulfillment of the plan position for photo paper stands or falls with the placing of orders by the USSR. All other orders are of a more or less sporadic nature. If the small number of present customers is to be maintained, it will be necessary to assure prompt delivery of crude paper and certain chemicals from West Germany; to increase its market for photo paper, East Germany will have to be able to produce tropical paper in 1953.

1. [REDACTED] Comment. Non-Communist.

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All amounts presumably in square meters.

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<u>berger 1952</u>	<u>Quota</u>	<u>Fulfillment</u>	<u>On Hand</u>
<u>Originally planned for in 1953</u>	30,000	18,800	8,160
Roll film	20,000 sq. m.		
Miniature film	5,000 sq. m.		
<u>New suggestion for 1953</u>			
Roll film	22,500 sq. m.		
Miniature film	-		
<u>Mimosa 1952</u>	90,000	35,740	25,560
			(Miniature film)
<u>Originally planned for in 1953</u>			
Roll film	24,000 sq. m.		
Miniature film	6,000 sq. m.		
<u>New suggestion for 1953</u>			
Roll film	24,000 sq. m.		
Miniature film	-		
<u>Kodak 1952</u>			
Positive	700,000)		
Negative	90,000)	138,000	209,000
			(In addition, 272,500
			nonmarketable as of
			30 September)
<u>Originally planned for in 1953</u>			
Positive	610,000		
w/safety base	490,000		
w/nitro base	120,000		
Narrow film	60,000		
Roll film	25,000		
Miniature film	6,000		
Plan film (Planfilm)	4,000		
<u>New suggestion for 1953</u>			
Positive (w/safety base)	490,000		
Narrow film	60,000		
Roll film	15,000		
Miniature film	2,000		
Plan film	2,000		
<u>Agfa 1953</u>			
Positive	1,180,000		
Negative	350,000		
TF 4 and Dup.	250,000		
Narrow film (negative, positive, reversible)	500,000		
Roll film	300,000 (Industry)		
Miniature film	65,000		
Plan film	15,000		
Film pack	5,000		
Narrow film (negative, positive, reversible)	75,000 (Amateur)		
<u>New suggestion for 1953</u>			
Positive	1,000,000		
Negative	120,000 (Partly safety film)		
TF 4 and Dup.	180,000		
Narrow film (positive, negative, reversible)	400,000		
Roll film	325,000 (Industry)		
Miniature film	40,000		
Plan film	10,000		
Film pack	5,000		
Narrow film (negative, positive, reversible)	40,000 (Amateur)		